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## MENU



# Investment Update

By Rick Schwerd | February 7, 2025

Our investment team remains committed to sharing updates and market insights to keep you informed. Please look for our next update on February 28.

## 'Mixed Bag' January Labor Market Report

Today's jobs report had something for everyone. The economy added 143,000 jobs, approximately 30,000 less than expected, but the unemployment rate dropped to 4.0 percent, a level we have not seen since last May. The number of job openings decreased by more than 500,000 to 7.6 million.

If you remember our report from last month, we noted that the Average Hourly Earnings (AHE) came in lower than expected, which is positive from an inflation perspective. However, in this month's report, the December AHE number was revised higher to 4.1 percent, from 3.9. This month's AHE also came in at 4.1 percent, which was three-tenths of a percent greater than expected. The higher levels sparked some inflation concerns and pushed bond yields higher.

Overall, the report showed a not too hot, not too cold labor market. Equity markets barely moved following the report. The benchmark 10-Year U.S. Treasury moved a little higher due to the higher AHE numbers but remain down over a third of a percentage point since mid-January.

# A Tumultuous Two Weeks

We could author a book about all that has happened over the past couple of weeks, but we will try to keep it concise. Chinese artificial intelligence (AI) model Deep Seek, tariffs, company earnings, Elon Musk and DOGE took turns making news. However, through some volatility, markets have held up and remain near all-time highs. So far, 2025 has followed our thesis that it would be a positive year for stocks, but with greater volatility. The S&P 500 is currently up 3 percent year-to-date.

## Deep Seek Surprise

Stocks sold off last Monday, especially AI darling Nvidia, which was down 17 percent, following the release of the Deep Seek AI model. The initial news was that Deep Seek was competitive with U.S. developed models but was accomplished at a fraction of the cost and without the benefit of top-of-the-line U.S. chips. This appeared to upend the investment belief that in order to compete, developers of large language models would need to continue to pour billions of dollars into the latest technologies.

However, after further analysis, the hype was much greater than reality. It was acknowledged that the developers of Deep Seek did produce some creative algorithmic solutions and demonstrated that Chinese AI capabilities were further along than was previously thought. But it was far less than the “Sputnik Moment” it was initially thought to be. Furthermore, subsequent earnings reports by leading AI developers Meta, Amazon and Google showed they were actually planning to ramp up their Capex spending more than expected over the coming year.

## Trump Tariffs

Markets were further aggravated this Monday after tariffs were announced on Canada, Mexico and China. After hastily held meetings and agreements, the tariffs on Canada and Mexico were postponed a month. The additional 10 percent tariffs on China so far have remained. Given the integration of the North American economies, the tariffs on Canada and Mexico, and subsequent retaliations, would have had a significant negative affect on U.S. GDP and corporate earnings. After the postponements, markets recovered much of their early losses by the end of trading Monday. We expect that this will not be the last we will hear regarding tariffs and trade disputes.

## Solid Earnings Season So Far

Fourth-quarter earnings announcements have been good so far, overall. According to Evercore-ISI, 270 S&P 500 companies (63 percent market cap) have reported. Reported sales growth has been +5.3 percent and earnings +11.8 percent — surprising by +1.0 percent and +7.3 percent respectively — putting overall sales growth on pace for +5.3 percent and earnings for +11.2 percent.

As always, if you have any questions or concerns regarding markets or your financial planning needs, please reach out to us at (518) 415-4401.

**About the Author:** *With almost three decades of financial industry experience, Rick serves as a Senior Investment Officer at Arrow Bank, formerly named Glens Falls National Bank. He oversees individual and corporate retirement plans, personal trusts, investment management accounts, foundations and not-for-profit relationships. He is also co-portfolio manager of the proprietary North Country Large Cap Equity Fund.*

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For the Account of: ARLINGTON FIRE DISTRICT SERVICE AWARD  
PROGRAM



Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

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**Recipient Name**

ARLINGTON FIRE DISTRICT  
ATTN RENEE O'NEILL  
11 BURNETT BLVD  
POUGHKEEPSIE, NY 12603

**Administrator:**

RETIREMENT PLAN SERVICES  
518-415-4401  
RPSGROUP@ARROWBANK.COM

**Investment Officer:**

ADAM M. HOROWITZ  
518-415-4318  
ADAM.HOROWITZ@ARROWBANK.COM

Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

**Investment Summary** **Asset Allocation**

Asset Category	Market Value	Asset %
CASH & CASH EQUIVALENTS	\$43,454.59	1.74%
FIXED INCOME	\$1,339,464.26	53.88%
EQUITIES	\$1,103,277.24	44.38%
<b>Total Market Value</b>	<b>\$2,486,196.09</b>	
<b>Accrued Income</b>	<b>\$10,375.10</b>	
<b>Total Market Value Incl. Accruals</b>	<b>\$2,496,571.19</b>	<b>100%</b>



CASH & CASH EQUIVALENTS - 1.74%  
 EQUITIES - 44.38%  
 FIXED INCOME - 53.88%

**Cash Activity Summary**

	Credits	Debits	Year To Date
Beginning Cash Balance	\$0.00		\$0.00
Net Money Market Activity	\$22,515.12	(\$5,358.62)	\$17,156.50
Interest	\$341.99	\$0.00	\$341.99
Dividends	\$5,016.96	\$0.00	\$5,016.96
Sale Proceeds	\$11.93	\$0.00	\$11.93
Taxes Paid	\$0.00	(\$884.99)	(\$884.99)
Fiduciary Fees	\$0.00	(\$3,527.38)	(\$3,527.38)
Other Disbursements of Cash	\$0.00	(\$18,115.01)	(\$18,115.01)
<b>Total</b>	<b>\$27,886.00</b>	<b>(\$27,886.00)</b>	<b>\$0.00</b>
Ending Cash Balance	\$0.00		\$0.00



Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

**Market Value Summary**

	Current Period 01/01/2025 to 01/31/2025	Year-to-Date 01/01/2025 to 01/31/2025
Beginning Market Value	\$2,482,146.11	\$2,462,146.11
<b>Cash Activity</b>		
Dividends	\$5,016.96	\$5,016.96
Interest	\$341.99	\$341.99
Fiduciary Fees	(\$3,527.38)	(\$3,527.38)
Taxes Paid	(\$884.99)	(\$884.99)
Other Disbursements of Cash	(\$18,115.01)	(\$18,115.01)
<b>Total Cash Activity</b>	<b>(\$17,168.43)</b>	<b>(\$17,168.43)</b>
<b>Net Gain / (Loss)</b>		
Realized Gain / (Loss)	(\$0.10)	(\$0.10)
<b>Total Net Gain / (Loss)</b>	<b>(\$0.10)</b>	<b>(\$0.10)</b>
Change in Unrealized Gain / (Loss)	\$41,218.51	\$41,218.51
<b>Ending Market Value (excluding Accruals)</b>	<b>\$2,486,196.09</b>	<b>\$2,486,196.09</b>

For the Account of: ARLINGTON FIRE DISTRICT SERVICE AWARD PROGRAM



Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

**Asset Detail**

Quantity	Description	Price	Market Value	Cost	Accrued Income	Estimated Annual Income	Yield %	Total Assets %
<b>CASH &amp; CASH EQUIVALENTS</b>								
<b>CASH</b>								
	<u>Total CASH</u>		\$0.00	\$0.00	\$0.00	\$0.00	0.00	0.00
<b>TAXABLE MONEY MARKET FUNDS</b>								
43,454.590	FIDELITY INV TREASURY PORT-IS Ticker: FRBXX	\$1.00	\$43,454.59	\$43,454.59	\$218.69	\$1,864.20	4.29	1.75
	<u>Total TAXABLE MONEY MARKET FUNDS</u>		\$43,454.59	\$43,454.59	\$218.69	\$1,864.20	4.29	1.75
	<u>Total CASH &amp; CASH EQUIVALENTS</u>		\$43,454.59	\$43,454.59	\$218.69	\$1,864.20	4.29	1.75
<b>FIXED INCOME</b>								
<b>OTHER BROKERED CDS &amp; TIME DEP</b>								
25,000.000	WELLS FARGO BANK CD 5.050% 7/18/25	\$100.34	\$25,084.46	\$25,000.00	\$45.59	\$1,262.50	5.03	1.01
	<u>Total OTHER BROKERED CDS &amp; TIME DEP</u>		\$25,084.46	\$25,000.00	\$45.59	\$1,262.50	5.03	1.01
<b>GNMA, FNMA, FHLMC POOLS</b>								
42.880	GNMA II PL #003096 7.000% 6/20/31 Ticker: 003096M	\$102.47	\$43.94	\$44.17	\$0.24	\$3.00	6.83	0.00
105.010	GNMA II PL #003121 7.000% 8/20/31 Ticker: 003121M	\$104.85	\$110.10	\$109.61	\$0.61	\$7.35	6.68	0.00
	<u>Total GNMA, FNMA, FHLMC POOLS</u>		\$154.04	\$153.78	\$0.85	\$10.35	6.72	0.01
<b>GOVERNMENT CMO'S AND REMIC'S</b>								
615.820	FHLMC SER 2489 CMO 6.000% 8/15/32	\$102.67	\$632.25	\$615.88	\$3.24	\$36.95	5.84	0.03
	<u>Total GOVERNMENT CMO'S AND REMIC'S</u>		\$632.25	\$615.88	\$3.24	\$36.95	5.84	0.03
<b>TAXABLE FIXED INCOME FUNDS</b>								
97,181.330	LORD ABBETT SHORT DURATION INC - I Ticker: LLDYX	\$3.87	\$376,091.75	\$389,117.53	\$1,596.63	\$19,990.20	5.32	15.13
25,057.851	PAYDEN HIGH INCOME FUND Ticker: PYHRX	\$6.35	\$159,117.35	\$151,581.58	\$894.57	\$10,734.78	6.75	6.40
81,849.044	VANGUARD TOTAL BOND MKT ADMIRAL Ticker: VBTXX	\$9.51	\$778,384.41	\$829,797.63	\$7,615.53	\$30,464.21	3.91	31.31
	<u>Total TAXABLE FIXED INCOME FUNDS</u>		\$1,313,593.51	\$1,370,496.74	\$10,106.73	\$61,189.19	4.66	52.84
	<u>Total FIXED INCOME</u>		\$1,339,464.26	\$1,396,266.40	\$10,156.41	\$62,498.99	4.67	53.88



Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

**Asset Detail**

Quantity	Description	Price	Market Value	Cost	Accrued Income	Estimated Annual Income	Yield %	Total Assets %
<b>EQUITIES</b>								
<b>DOMESTIC EQUITY MUTUAL FUNDS</b>								
4,764.685	COLUMBIA DIVIDEND INCOME - I Ticker: GSFTX	\$34.35	\$163,666.93	\$115,004.39	\$0.00	\$2,867.86	1.75	6.58
982.083	T ROWE PRICE GROWTH STOCK - I Ticker: PRUFX	\$108.54	\$106,595.29	\$69,900.35	\$0.00	\$0.00	0.00	4.29
472.458	VANGUARD MID CAP INDEX ADMIRAL Ticker: VIMAX	\$341.37	\$161,282.99	\$108,532.47	\$0.00	\$2,292.37	1.42	6.49
1,120.224	VANGUARD SMALL CAP INDEX ADMIRAL Ticker: VSMAX	\$119.64	\$134,023.60	\$98,607.85	\$0.00	\$1,680.67	1.25	5.39
887.710	VANGUARD 500 INDEX ADMIRAL Ticker: VFIAX	\$557.85	\$495,209.02	\$310,761.58	\$0.00	\$5,952.01	1.20	19.92
<b>Total DOMESTIC EQUITY MUTUAL FUNDS</b>			<b>\$1,080,777.83</b>	<b>\$702,806.64</b>	<b>\$0.00</b>	<b>\$12,792.91</b>	<b>1.21</b>	<b>42.67</b>
<b>GLOBAL EQUITY MUTUAL FUNDS</b>								
621.609	CLEARBRIDGE INTERNATIONAL GROWTH - I Ticker: LMGX	\$68.37	\$42,499.41	\$32,819.08	\$0.00	\$553.42	1.30	1.71
<b>Total GLOBAL EQUITY MUTUAL FUNDS</b>			<b>\$42,499.41</b>	<b>\$32,819.08</b>	<b>\$0.00</b>	<b>\$553.42</b>	<b>1.30</b>	<b>1.71</b>
<b>Total EQUITIES</b>			<b>\$1,103,277.24</b>	<b>\$735,625.72</b>	<b>\$0.00</b>	<b>\$13,346.33</b>	<b>1.21</b>	<b>44.38</b>
<b>Total</b>			<b>\$2,486,196.09</b>	<b>\$2,175,346.71</b>	<b>\$10,375.10</b>	<b>\$77,709.52</b>	<b>3.13</b>	<b>100.00</b>

For the Account of: ARLINGTON FIRE DISTRICT SERVICE AWARD PROGRAM



Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

**Activity Review**

Date	Description	Net Amount	Cost Basis
<b>Beginning Balance</b>		\$0.00	\$2,192,515.24
<b>Net Money Market Activity</b>		\$17,156.50	(\$17,156.50)
01/08/2025	Taxable Amount Amount : 240.00	\$0.00	\$0.00
01/15/2025	Taxable Amount Amount : 260.00	\$0.00	\$0.00
01/27/2025	Taxable Amount Amount : 15400.00	\$0.00	\$0.00
<b>Total</b>		\$0.00	\$0.00
<b>Income and Other Receipts</b>			
<b>Interest</b>			
01/02/2025	Credit Interest FIDELITY INV TREASURY PORT-IS Interest (12/01/24 - 12/31/24). As of 01/02/2025	\$230.76	\$0.00
01/15/2025	MBS Interest FHLMC SER 2489 CMO 6.000% 8/15/32	\$3.12	\$0.00
01/21/2025	Interest WELLS FARGO BANK CD 5.050% 7/18/25 25000 Face @ 5.05% Automatically generated	\$107.23	\$0.00
01/21/2025	Interest GNMA II PL #003096 7.000% 6/20/31	\$0.26	\$0.00
01/21/2025	Interest GNMA II PL #003121 7.000% 8/20/31	\$0.62	\$0.00
<b>Total Interest</b>		\$341.99	\$0.00
<b>Dividends</b>			
01/02/2025	Dividend LORD ABBETT SHORT DURATION INC - I 97,181.33 Shares @ 0.016447 Per Share	\$1,598.34	\$0.00
01/02/2025	Dividend VANGUARD TOTAL BOND MKT ADMIRAL 81,849.04 Shares @ 0.0308379 Per Share	\$2,524.05	\$0.00





Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

**Activity Review**

Date	Description	Net Amount	Cost Basis
<b>Income and Other Receipts</b>			
01/30/2025	Dividend PAYDEN HIGH INCOME FUND Shares @ 0.0357 Per Share Ex: 1/30/2025, Record: 1/29/2025, Pay: 1/30/2025	\$894.57	\$0.00
<b>Total Dividends</b>		<b>\$5,016.96</b>	<b>\$0.00</b>
<b>Sale Proceeds</b>			
01/15/2025	MBS Principal Paydown FHLMC SER 2489 CMO 6.000% 8/15/32	\$9.14	(\$9.14)
01/21/2025	MBS Principal Paydown GNMA II PL #003096 7.000% 6/20/31	\$1.45	(\$1.49)
01/21/2025	MBS Principal Paydown GNMA II PL #003121 7.000% 8/20/31	\$1.34	(\$1.40)
<b>Total Sale Proceeds</b>		<b>\$11.93</b>	<b>(\$12.03)</b>
<b>Total Income and Other Receipts</b>		<b>\$5,370.88</b>	<b>(\$12.03)</b>
<b>Expenses and Other Disbursements</b>			
<b>Taxes Paid</b>			
01/15/2025	Withholding Tax - Fed	(\$62.40)	\$0.00
01/27/2025	Withholding Tax - Fed Payments issued for 2/3/2025	(\$711.80)	\$0.00
01/27/2025	Withholding Tax - NY Payments issued for 2/3/2025	(\$110.79)	\$0.00
<b>Total Taxes Paid</b>		<b>(\$884.99)</b>	<b>\$0.00</b>
<b>Fiduciary Fees</b>			
01/14/2025	Fee Paid Direct Debit Fee Transaction for Ending 01/14/25 For Acct# 1250584906	(\$373.00)	\$0.00
01/27/2025	Fee Paid Direct Debit Fee Transaction for Quarterly: Mar, Jun, Sep, Dec Ending 12/31/24 For Acct# 1250584906	(\$3,154.38)	\$0.00
<b>Total Fiduciary Fees</b>		<b>(\$3,527.38)</b>	<b>\$0.00</b>

For the Account of: ARLINGTON FIRE DISTRICT SERVICE AWARD PROGRAM



Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

**Activity Review**

Date	Description	Net Amount	Cost Basis
<b>Expenses and Other Disbursements</b>			
<b>Other Disbursements of Cash</b>			
01/08/2025	Cash Disbursement No Tax Code Specified 1 payments Issued for 1/7/2025	(\$240.00)	\$0.00
01/15/2025	Cash Disbursement No Tax Code Specified 1 payments Issued for 1/14/2025	(\$197.60)	\$0.00
01/16/2025	Check Disbursement No Tax Code Specified Paid To: FIREFLY ADMIN INC. ARLINGTON FIRE DISTRICT LENGTH OF SERVICE AWARD	(\$3,100.00)	\$0.00
01/27/2025	Cash Disbursement No Tax Code Specified Payments Issued for 2/3/2025	(\$14,577.41)	\$0.00
<b>Total Other Disbursements of Cash</b>		<b>(\$18,115.01)</b>	<b>\$0.00</b>
<b>Total Expenses and Other Disbursements</b>		<b>(\$22,527.38)</b>	<b>\$0.00</b>
<b>Change in Unrealized Gain / (Loss)</b>			<b>\$0.00</b>
<b>Ending Balance</b>		<b>\$0.00</b>	<b>\$2,175,346.71</b>

**YTD Summary**

	Year To Date
Short	(\$0.10)
Long	\$0.00
<b>Total Realized G/L</b>	<b>(\$0.10)</b>

\*Gain or Loss Amounts as shown may not reflect the amount to be used for income tax purposes.



For the Account of: ARLINGTON FIRE DISTRICT SERVICE AWARD PROGRAM



Account Number: [REDACTED]

Date: January 1, 2025 - January 31, 2025

**Additional Statement Messaging and Disclosures**

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